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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Barbara Allen, Richard Dippold,
Melvin Jones, Donald McCarty,
Richard Scates and Walter G. West,
individually and on behalf of all others
similarly situated,
Plaintiffs,

Plaintiffs,

vs.

Honeywell Retirement Earnings Plan,
Honeywell Secured Benefit Plan, Plan
Administrator of Honeywell
Retirement Earnings Plan, and Plan
Administrator of Honeywell Secured
Benefit Plan,

Defendants.

No. CV04-0424 PHX ROS

DEFENDANTS' STATEMENT OF
FACTS IN SUPPORT OF MOTION FOR
PARTIAL SUMMARY JUDGMENT ON
MINIMUM BENEFITS CLAIM

ORAL ARGUMENT REQUESTED

Pursuant to LRCiv 56.1(a), Defendants set forth their Statement of Facts in Support of their Motion for Partial Summary Judgment on Minimum Benefits Claim:

1. A true and correct copy of the Signal Retirement Plan (“Signal Plan” or “Plan”) is attached as Exhibit E to the Declaration of Amy Promislo (Doc. 16) (“Promislo Dec.”). For purposes of plaintiffs’ minimum benefits claim, the relevant Plan language is contained in three inter-related provisions.

2. First, for Plan participants with a Secured Benefit Account (“SBA”), § 4.2(e) defines the participant’s Normal Retirement Benefit, depending on whether the participant elects to retain the SBA, or to transfer his SBA balance into the Signal Plan:

(e)(i) In the case of a Participant who holds or has held an account in the Garrett Secured Benefit Account in the [Signal Savings Plan], his Normal Retirement Benefit *shall be*

(a) in the case of a participant who elects pursuant to the Savings Plan to transfer his entire account balance held in the Garrett Secured Benefit Account to this Plan, the Normal Retirement Benefit provided hereunder without regard to this subparagraph (e) and

(b) in the case of a Participant who elects pursuant to the Savings Plan not to transfer his account balance in the Garrett Secured Benefit Account to this Plan, *the Normal Retirement Benefit provided under subparagraph (b) of this Section 4.2, offset by the value of the account balance not transferred (the “Offset”)*

(Doc. 16, Ex. E § 4.2(e)(i), at HW0000337 (emphasis added).)

3. Second, the Normal Retirement Benefit provided under § 4.2(b) is defined as follows:

Except as provided in subsections (c) through (k), [a participant’s] Normal Retirement Benefit shall be

(i) 1.5% of his Average Final Compensation multiplied by his Credited Service, minus

(ii) 1.5% of his Primary Social Security Benefit multiplied by his Credited Service (not in excess of 33 1/3 years) . . .

(*Id.* at HW0000336.) The Normal Retirement Benefit calculation set forth in § 4.2(b), by its terms applies “except as provided in subsections (c) through (k).” (*Id.*)

4. Third, § 4.2(c) provides that, except as provided in subsections (d) through (k), the “Normal Retirement Benefit shall not . . . be less than” one calculated under a minimum formula:

1 A Participant's Normal Retirement Benefit shall not . . . except as
2 provided in subsections (d) through (k), be less than . . . 1% of his
Average Final Compensation multiplied by his Credited Service

3 (*Id.* § 4.2(e) at HW0000336.)

4 5. The Signal Plan vests the plan administrator with the authority to administer
5 the plan in accordance with its terms, to make any necessary or appropriate findings of
6 fact, and to determine questions of law. (*Id.* § 7.1 at HW0000363 - 364.)

7 6. The Plan Administrator has consistently interpreted the Signal Plan to allow
8 participants who do not transfer their SBA balances to the Signal Plan to receive the larger
9 of the "basic" benefit less an SBA offset, or the "minimum" benefit less an SBA offset.
10 (*See* Doc. 16, Ex. K at HW0000471; Doc. 16, Ex. O at HW0000532.) This fact is not in
11 dispute. (*See, e.g.*, Am. Compl. (Doc. 47) ¶ 53; Defs.' Ans. & Aff. Defenses (Doc. 78)
12 ¶ 53.) Throughout this period, the Plan Administrator has also informed the participants
13 that this is how their benefits are calculated. (Doc. 16, Exs. G & H.)
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1 Respectfully submitted this 25th day of September, 2008.

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CERTIFICATE OF SERVICE

I do certify that on September 25, 2008, I electronically transmitted the attached document to the Clerk's Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to all CM/ECF registrants.

/s/Kelly Dourlein